

STATEMENT OF PURPOSE

RS23893

This is the fiscal year 2016 appropriation to the Department of Administration in the amount of \$19,602,500 with full-time equivalent positions capped at 139.50. The bill also includes a supplemental appropriation in FY 2015 for \$100,000 in ongoing appropriation for freight costs in the federal surplus program. This program donates surplus federal property to local jurisdictions.

The FY 2016 appropriation includes an increase of \$91,200 for benefit costs, \$21,300 to replace a commercial delivery van for the state's postal center, a reduction of \$12,100 for statewide cost allocation, and an increase in \$252,300 for an ongoing 3% merit-based increase in employee compensation for permanent employees to be distributed at the discretion of agency heads.

This bill also provides funding for the following line items:

Line item 4 appropriates \$280,000 in dedicated funds for a construction project management system. The program will track the fiscal information and project activities for the state's construction projects managed by the Division of Public Works.

Line items 6 and 7 relate to intent language in the Department's FY 2015 appropriation bill. That language asked the Department to conduct an internal analysis of its interagency and intra-agency billing procedures. The Department was directed to limit recovery of interagency costs into the Indirect Cost Recovery Fund to those same costs it bills other state agencies through interagency billing procedures. When a direct General Fund appropriation has been made to pay for personnel costs or for operating expenditures, the Department was directed not to recover those funds across programs in their indirect cost recovery process. The Department conducted that reconciliation and it is reflected as a reduction of \$931,100 in the administrative functions and \$548,000 in IT functions, both of which are in dedicated funds.

Line item 8 is a reduction of 0.50 FTP and \$32,000 in personnel costs. This position at the Department of Administration has been providing fiscal support for the Soil and Water Conservation Commission. A corresponding line item for the Commission includes an internal financial specialist position, so the FTP and the funds are no longer needed in the Department of Administration's budget.

Line item 9 provides \$1,000,000 from the General Fund and a reduction of \$1,000,000 in dedicated funds from the Permanent Building Fund for the elected official rent charge in the Capitol Mall. The additional cost of the rent is \$1,737,500 and is transferred from the Permanent Building Fund into the Administrative and Accounting Services Fund in Section 4 of this bill.

Lastly, in line 10, this bill removes the funding and FTP supporting the Idaho Education Network (IEN) in FY 2016. Rather, funds for broadband connectivity have been included in the budget for the Superintendent of Public Instruction and will be disseminated directly to school districts to purchase their own bandwidth.

FISCAL NOTE

	FTP	Gen	Ded	Total
FY 2015 Original Appropriation	145.00	10,033,800	18,432,900	28,466,700
1. IEN FY 2015 Federal E-Rate	0.00	0	0	0
2. Federal Surplus Freight	0.00	0	100,000	100,000
Rescissions	0.00	(5,052,000)	0	(5,052,000)
FY 2015 Total Appropriation	145.00	4,981,800	18,532,900	23,514,700
Removal of One-Time Expenditures	0.00	(1,524,200)	(380,100)	(1,904,300)
FY 2016 Base	145.00	3,457,600	18,152,800	21,610,400
Benefit Costs	0.00	17,400	73,800	91,200
Replacement Items	0.00	0	21,300	21,300
Statewide Cost Allocation	0.00	(900)	(11,200)	(12,100)
Change in Employee Compensation	0.00	48,900	203,400	252,300
FY 2016 Program Maintenance	145.00	3,523,000	18,440,100	21,963,100
1. IEN FY 2016 Federal E-Rate	0.00	0	0	0
2. Growth, Training, Video Conferencing	0.00	0	0	0
3. Purchasing Training and 2 Trainers	0.00	0	0	0
4. Construction Project Mgmt System	0.00	0	280,000	280,000
5. Federal Surplus Freight	0.00	0	0	0
6. Realign Internal Cost Allocation: Admin	0.00	0	(931,100)	(931,100)
7. Realign Internal Cost Allocation: IT	0.00	0	(548,200)	(548,200)
8. FTP Reduction	(0.50)	0	(32,000)	(32,000)
9. Elected Official Rent	0.00	1,000,000	(1,000,000)	0
10. IEN Program Elimination	(5.00)	(1,129,300)	0	(1,129,300)
FY 2016 Total	139.50	3,393,700	16,208,800	19,602,500
Chg from FY 2015 Orig Approp	(5.50)	(6,640,100)	(2,224,100)	(8,864,200)
% Chg from FY 2015 Orig Approp.	(3.8%)	(66.2%)	(12.1%)	(31.1%)

Contact:

Robyn Lockett
Budget and Policy Analysis
(208) 334-4745